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World Production and Trade

United States Department of Agriculture
Foreign Agricultural Service
Washington, D.C. 20250

Weekly Roundup
WR 35-86
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ORIGINAL

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

GRAIN AND FEED

Export Enhancement Bid Accepted for TUNISIA. On August 27, the Commodity Credit Corporation (CCC) accepted an offer for 25,000 tons of durum wheat to Tunisia under an Export Enhancement Program (EEP). The wheat sold for $110.000 per ton, cost and freight.

OILSEEDS AND PRODUCTS

MALAYSIAN Soybean Imports Up but U.S. Share Reduced. Spurred by increased domestic feed demand and low prices, Malaysian imports of both soybeans and soybean meal increased by 57 percent and 3 percent, respectively, during October 1985 through May 1986. China captured half of the soybean market, while the U.S. share was reduced from about 70 percent in 1983 to the present 8 percent. USDA estimates Malaysian imports of soybeans for 1985/86 at 200,000 metric tons and soybean meal imports at 148,000 metric tons.

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CHINA'S Soybean Production Forecast Lowered Slightly. The U.S. agricultural counselor in Beijing estimates China's soybean production for 1986 at 11.0 million tons, down from an earlier estimate of 11.5 million. Recent travel in the major producing regions of the Northeast and the North China Plain suggest planted area only increased about 300,000 hectares from last year. Most of the additional area is in the Northeast where the procurement price was raised about 15 percent this year. The State Statistical Bureau (SSB) officially estimates last year's crop at 10.5 million tons from 7.7 million hectares.

The impact of weather on yields has been varied this season. Early season dryness in the North China Plain and the northeast was followed by extremely wet weather during August in the northeast. Similar conditions were also experienced last year. Sketchy, conflicting reports about flooding in the northeast preclude a complete assessment of the flood's impact on soybean yields. Currently, the U.S. agricultural counselor estimates soybean yields at 1.38 tons per hectare, compared to 1.36 tons per hectare last year.

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CHINA'S 1986 Peanut Production Revised. The U.S. agricultural counselor in Beijing estimates China's 1986 peanut production at 6.75 million tons from 3.45 million hectares, down from earlier estimates but still above last year's revised production of 6.664 million tons and 3.318 million hectares. Reportedly, planted area this year in Shandong, which normally produces about 40 percent of the crop, has increased little over last year's level. Marginal area increases have also been reported in several other provinces. Exceptions are Hebei and Liaoning provinces where substantial changes have taken place this year. Peanut area in Hebei is estimated 20 percent higher this year as farmers shifted away from cotton, while peanut area in Liaoning is estimated 35 percent lower as farmers planted additional grains and soybeans.

Both unfavorably dry and wet weather have hurt China's peanut crop this year. Several reports indicate dry weather in spring hurt early planted peanuts in Shandong. Farmers compensated by increasing the proportion of late-planted peanuts. Peanuts planted after the optimal planting period will normally yield less than those planted earlier. In addition, flooding during early August in Liaoning Province may have lowered yields in that province.

DAIRY, LIVESTOCK AND POULTRY

EUROPEAN COMMUNITY To Sell Additional Beef to BRAZIL. The European Community (EC) Commission has decided to make another sale of beef to Brazil of reportedly 100,000 tons. This is the second large sale authorized for Brazil in 1986; the previous sale was also for 100,000 tons.

The beef will reportedly be supplied by France (40,000 tons), Italy (30,000 tons), the United Kingdom (20,000 tons) and Ireland (10,000 tons). The decision was scheduled to have become effective on August 23. Unofficial sources indicate that the minimum prices will be $509 per ton for Ireland, $448 for France, $426 for the United Kingdom, and $417 for Italy.

The United States has an agreement with Brazil to sell 90,000 tons of beef, made available as a result of the dairy herd termination program. The EC sale should not have a direct impact on U.S. exports. However, it will serve to further weaken the already low international price for beef.

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ARGENTINA Continues Culling Cattle Herds. Cattle herd culling is continuing in Argentina, according to the U.S. agricultural counselor in Buenos Aires. Cattle numbers are projected to fall about 2 percent this year to 56.5 million head, and further declines are expected next year. Weak export prospects and heavy debt and tax burdens have discouraged herd rebuilding despite higher cattle prices this year. Beef production for 1986 is projected to fall about 40,000 tons to 2.7 million tons and fall another 50,000 tons next year due to the drop in slaughter cattle numbers.

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Export Enhancement Bid Accepted for EGYPT. On August 27, the Commodity Credit Corporation accepted an offer for 3,000 tons of frozen poultry to Egypt under an EEP. The poultry sold for $585.00 per ton, free on board.

CREDIT NOTES

P.L. 480 Actions Announced for MOZAMBIQUE, SRI LANKA, MALDIVES and the DOMINICAN REPUBLIC. The Mozambique P.L. 480, Title I agreement was amended to reallocate $1.0 million from ocean transportation to wheat. Sri Lanka's Title I agreement was amended to provide for the sale of $7.0 million worth of U.S. wheat. The Maldives signed a Title I agreement to provide for the sale of $725,000 worth of U.S. wheat--about 7,100 metric tons. The Dominican Republic received purchase authorizations for wheat ($7.1 million), vegetable oil ($13.0 million) and rice ($9.9 million).

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CCC Reallocates Credit Guarantees to MEXICO. The CCC reallocated $12.0 million in credit guarantees to provide additional guarantees for sales of U.S. vegetable oils and protein meals.

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GSM-102 Actions Announced for SENEGAL and IRAQ. USDA has authorized an additional $6.3 million in GSM-102 credit guarantees to cover fiscal year 1986 wheat sales to Senegal. CCC approved a $15.0 million reduction in the overall GSM-102 program level for Iraq.

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GSM-103 Actions Announced for ALGERIA and MOROCCO. USDA announced GSM-103 intermediate credit guarantees to cover fiscal year 1986 livestock sales to Algeria for up to $5.0 million. USDA also announced that $8.0 million in GSM-103 intermediate credit guarantees have been authorized for the sale of U.S. breeding livestock to Morocco.

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EXPORT ENHANCEMENT INITIATIVES

The status of USDA's Export Enhancement Program as of Aug. 28, 1986, was as follows in metric tons:

	ANNOUNCED INITIATIVES	DATE ANNOUNCED	QUANTITY/RESULTS	
44.	Cyprus Barley	Aug. 26, '86	150,000	
43.	Canary Islands Wheat	Aug. 8, '86	100,000	
42.	Eygpt Semolina	Aug. 6, '86	30,000	
41.	USSR Wheat	Aug. 1, '86	4 million	
40.	Canary Is. Dairy Cattle	July 28, '86	3,000 head	
39.	Hong Kong Table Eggs	July 28, '86	44 million	
38.	Senegal Wheat	July 17, '86	100,000	
37.	India Vegetable Oil	July 8, '86	25,000	
36.	Jordan Barley	June 17, '86	60,000	
35.	Israel Barley	June 17, '86	200,000	Sold 5,200
34.	Tunisia Dairy Cattle	May 29, '86	4,000 head	
33.	Algeria Dairy Cattle	May 29, '86	5,000 head	
32.	Sri Lanka Wheat	May 16, '86	125,000	Sold 50,000
31.	Saudia Arabia Barley	May 7, '86	500,000	COMPLETE
		Aug. 6, '86	250,000	COMPLETE
30.	Algeria Barley	Apr 17, '86	500,000	
29.	Morocco Dairy Cattle	Apr 16, '86	4,000 head	Sold 150
28.	Turkey Dairy Cattle	Apr 16, '86	5,000 head	
27.	Egypt Dairy Cattle	Apr 16, '86	6,000 head	
26.	Yemen Poultry Feed	Apr 14, '86	150,000	
25.	Yugoslavia Wheat	Apr 10, '86	200,000	COMPLETE
		June 24, '86	200,000	Sold 120,000
24.	Indonesia Dairy Cattle	Apr 9, '86	7,500 head	
23.	Syria Wheat	Apr 8, '86	700,000	
22.	Benin Wheat	Apr 7, '86	45,000	Sold 20,000
21.	Algeria Table Eggs	Apr 4, '36	500 million	
20.	Iraq Dairy Cattle	Apr 4, '86	6,500 head	
19.	Jordan Wheat	Mar 19, '86	75,000	COMPLETE
		June 24, '86	75,000	COMPLETE
18.	Tunisia Wheat	Mar 18, '86	300,000	Sold 275,000
		Aug. 22, '86	800,000	
17.	Algeria Wheat Flour	Feb 25, '86	100,000	
16.	Algeria Semolina	Feb 11, '86	250,000	
15.	Philippines Wheat	Jan 7, '86	150,000	COMPLETE (152,400)
14.	Zaire Wheat	Dec 27, '85	40,000	COMPLETE
		May 15, '86	40,000	COMPLETE
13.	Nigeria Barley Malt	Dec 10, '85	100,000	Sold 4,400
12.	Iraq Wheat Flour	Dec 9, '85	150,000	Sold 75,000
11.	Egypt Poultry	Nov 26, '85	8,000	COMPLETE
		Mar 21, '86	15,000	COMPLETE
		June 18, '86	5,000	COMPLETE
		July 8, '86	15,000	Sold 7,500

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10.	Zaire Wheat Flour	Nov 18, '85	64,000	COMPLETE
		May 15, '86	30,000	Sold 15,000
9.	Philippines Wheat Flour	Nov 15, '85	100,000	Sold 50,000
8.	Jordan Rice	Nov 8, '85	40,000	Sold 22,700
7.	Turkey Wheat	Oct 16, '85	500,000	COMPLETE (506,600)
		May 8, '86	500,000	
6.	Morocco Wheat	Sept 30, '85	1,500,000	Sold 890,000
5.	Yemen Wheat	Sept 6, '85	100,000	Sold 50,000
4.	Yemen Wheat Flour	Aug 20, '85	50,000	Sold 31,500
		Apr 14, '86	100,000	
3.	Egypt Wheat	Jul 26, '85	500,000	COMPLETE
		Oct 30, '85	500,000	COMPLETE (512,500)
		June 20, '86	500,000	COMPLETE
		July 29, '86	52,000	Sold 29,000
2.	Egypt Wheat Flour	July 2, '85	600,000	COMPLETE
		Aug. 6, '86	600,000	
1.	Algeria Wheat	Jun 4, '85	1,000,000	COMPLETE
		Apr 10, '86	1,000,000	

EXPORT ENHANCEMENT PROGRAM SUMMARY

Announced to Date	17,927,780 (grain equivalent) 544 million table eggs 43,000 tons frozen poultry 41,000 head dairy cattle 25,000 tons vegetable oil
Sold to Date	5,035,500 wheat 1,144,635 flour (grain equivalent) 755,200 barley 35,500 frozen poultry 22,700 rice 5,980 barley malt (grain equivalent) 150 head dairy cattle
Bonus	2,500,600 tons at a book value of $344.8 million

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TARGETED EXPORT PROMOTION PROGRAM

The status of USDA's Targeted Export Promotion Program as of Sept. 3, 1986, was as follows:

DATE ANNOUNCED	COMMODITY	VALUE	COUNTRY
Sept. 2, 1986	Wheat	$2 million over 3 years	Egypt, Algeria
Aug. 12, 1986	Canned Peaches, Fruit Cocktail	$5.1 million	Pacific Rim & Middle East
Aug. 8, 1986	Feed Grains	$2.1 million	To be announced
July 28, 1986	Dry Peas & Lentils	$2.5 million	EC, Colombia, India
July 25, 1986	Table Grapes	$0.35 million	Western Europe, Australia, Panama, Japan, Taiwan, Singapore, Malaysia
July 18, 1986	Washington State Apples	$1.4 million	United Kingdom, Taiwan, Malaysia, Hong Kong, Norway, Saudi Arabia
July 17, 1986	Wood Products	$0.6 million 1/	United Kingdom
July 16, 1986	Wheat	$1.1 million	Developing countries
July 14, 1986	Poultry & Eggs	$6 million	Pacific Rim, Middle East countries
June 24, 1986	Feed Grains, Soybean Meal & Dairy Cattle	$9 million over 3 years	Algeria
June 23, 1986	Fresh & Processed Florida Citrus	$4.6 million	Western Europe & Pacific Rim
May 20, 1986	Dried Prunes	$4 million	Western Europe
April 30, 1986	Wood	$1.95 million (over 3 years)	Japan
April 28, 1986	Wine	$2.3 million	Japan, United Kingdom, Hong Kong, Singapore
April 25, 1986	Almonds		Western Europe, Japan, Korea
April 17, 1986	Canned Peaches, Fruit Cocktail	$2.5 million	Japan, Taiwan
April 16, 1986	Walnuts	$9 million 2/	Western Europe, Japan
April 16, 1986	Raisins	$6.3 million	Western Europe, Pacific Rim
April 14, 1986	California & Arizona fresh & processed citrus		Japan, Hong Kong, Singapore, Malaysia
March 27, 1986	Frozen Potatoes	$2 million	Japan, Hong Kong Taiwan, Malaysia Singapore
	Total:	$69.60 million	

1/ Part of April 30, 1986, wood TEA amount. Not included in total.
2/ Includes additional $2 million announced Aug. 1, 1986.

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Selected International Prices

Item	September 2, 1986	Change from a week ago	A year ago
ROTTERDAM PRICES 1/	$ per MT	$ per bu.	$ per MT	$ per MT
Wheat:				
Canadian No. 1 CWRS-13.5%.	N.Q.	--	--	159.00
U.S. No. 2 DNS/NS: 14%....	124.00	3.37	+1.50	152.50
U.S. No. 2 S.R.W.	122.50	3.33	+2.50	127.00
U.S. No. 3 H.A.D.....	125.00	3.40	+3.00	165.00
Canadian No. 1 A: Durum...	N.Q.	--	--	N.Q.
Feed grains:				
U.S. No. 3 Yellow Corn....	83.00	2.11	-1.00	117.00
Soybeans and meal:				
U.S. No. 2 Yellow.10/.....	193.35	5.25	-0-	209.00
Brazil 47/48% Soya Pellets	208.00	--	+11.00	160.50
U.S. 44% Soybean Meal.....	198.00	--	-0-	154.50
U.S. FARM PRICES 3/				
Wheat.....	79.73	2.17	+1.10	105.08
Barley.....	50.98	1.11	+4.13	60.17
Corn.....	58.66	1.49	-2.36	94.49
Sorghum.....	60.19	2.73	+3.75	84.44
Broilers.....	1,316.15	--	-0.66	1,205.48
EC IMPORT LEVIES				
Wheat 5/.....	175.40	4.77	+4.05	90.55
Barley.....	175.05	3.81	+5.60	88.95
Corn.....	182.15	4.63	+3.55	72.50
Sorghum.....	189.05	4.80	+3.85	94.50
Broilers 4/ 6/ 8/.....	366.00	--	+3.00	178.00
EC INTERVENTION PRICES 7/ 9/				
Common wheat(feed quality)	181.50	4.94	+1.50	143.50
Bread wheat (min. quality)	190.80	5.19	+1.60	153.45
Maize.....	190.80	4.85	+1.60	143.50
Barley and all other feed grains, excluding maize.	181.50	--	+1.50	143.50
Broilers 4/ 6/.....	1530.00	--	+16.00	1196.00
EC EXPORT RESTITUTIONS (subsidies)				
Wheat	111.25	3.03	N.A.	36.05
Barley.....	N.A.	--	--	49.75
Broilers 4/ 6/ 8/.....	269.00	--	+2.00	103.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. 10/ October delivery. N.A.-None authorized. N.Q.-Not quoted. Note: Basis September delivery.

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